

Message Text

UNCLASSIFIED

PAGE 01 BRISBA 00171 110735Z

11

ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-07 NSAE-00 PA-02

USIA-15 PRS-01 SP-02 FEA-01 ERDA-07 AID-05 CEA-01

CIEP-02 COME-00 EB-07 FPC-01 H-02 INT-05 L-03 NSC-05

OMB-01 PM-03 SAM-01 OES-05 SS-15 STR-04 TRSE-00 /106 W

----- 023377

R 110635Z AUG 75

FM AMCONSUL BRISBANE

TO SECSTATE WASHDC 0616

INFO AMEMBASSY CANBERRA

AMCONSUL MELBOURNE

AMEMBASSY TOKYO

UNCLAS BRISBANE 0171

E.O. 11652: N/A

TAGS: EMIN, AS

SUBJECT: BLACK OUTLOOK FOR STATE-FEDERAL RELATIONS OVER
QUEENSLAND COAL EXPORTS

1. THE QUEENSLAND STATE TREASURER, SIR GORDON CHALK, STATED
YESTERDAY THAT QUEENSLAND WOULD BE FORCED INTO A CONFRONTATION
WITH THE FEDERAL GOVERNMENT IF CANBERRA DID NOT CHANGE ITS COAL
EXPORT POLICIES.

2. SPEAKING UPON HIS RETURN FROM A MONTH-LONG TRIP TO THE U.S.
AND JAPAN, SIR GORDON DECLARED THAT THE QUEENSLAND COAL EXPORT
INDUSTRY HAS SUFFERED GREAT DAMAGE DUE TO THE POLICIES OF THE
FEDERAL MINERALS AND ENERGY MINISTER, REX CONNOR. IF THESE POLICIES
ARE CONTINUED, SIR GORDON SAID, JAPANESE INTERESTS WOULD LOOK TO
OTHER SUPPLIERS, CAUSING QUEENSLAND COAL COMPANIES TO LOSE OUT ON
LUCRATIVE LONG-TERM CONTRACTS.

3. SIR GORDON CLAIMED THAT JAPANESE COAL PURCHASERS WERE "ANYTHING
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRISBA 00171 110735Z

BUT PLEASED" BY MR. CONNOR'S NEGOTIATING TACTICS AND BY HIS

INSISTENCE THAT QUEENSLAND COAL WOULD RISE FROM A DOLLARS 34 TO A DOLLARS 50 PER TON.

4. SIR GORDON INDICATED JAPANESE STEEL MILLS NEEDED ANOTHER 20 MILLION TONS OF COAL ANNUALLY. THIS INCREASE COULD BE MET BY AUSTRALIA, IN FACT TWO MAJOR COAL PROJECTS IN QUEENSLAND, NORWICH PARK BY UTAH, AND THE NEBO PROJECT OF THIESS, PEABODY MITSUI COULD BE UNDERTAKEN IMMEDIATELY IF FEDERAL APPROVAL WERE GIVEN. EACH OF THESE PROJECTS WOULD PROVIDE APPROXIMATELY 10 MILLION TONS OF EXPORT COAL ANNUALLY WHEN FULLY ON STREAM IN 1980. HOWEVER, CHALK NOTED, MINISTER CONNOR HAS INDICATED THAT THE FEDERAL GOVERNMENT WILL DETERMINE WHICH MINES IN QUEENSLAND AND NEW SOUTH WALES WOULD PROVIDE THE COAL AND AT WHAT PRICE, BEFORE CANBERRA GRANTS THE NECESSARY EXPORT LICENSES.

5. SIR GORDON STATED THAT QTE AN IMMEDIATE CONFRONTATION BETWEEN THE FEDERAL AND QUEENSLAND GOVERNMENTS IS INEVITABLE END QTE. SIR GORDON ADDED THAT THE QUEENSLAND GOVERNMENT MIGHT HELP DEVELOP THE NORWICH PARK AND NEBO COALFIELDS IF THE FEDERAL GOVERNMENT DID NOT CHANGE ITS COAL EXPORT POLICY.

6. COMMENT: THIS IS THE FIRST TIME THAT THE HIGHLY RESPECTED STATE TREASURER HAS PUBLICLY PLACED HIMSELF SO SQUARELY AT ODDS WITH MINISTER CONNOR. SIR GORDON IS REPUTED FOR HIS POLITICAL ACUMEN AND FOR THE PREPARATION THAT PRECEDES HIS PUBLIC STATEMENTS. HE LIKES TO BE SURE OF HIS GROUND -- AND HE USUALLY IS.
HARE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COAL, POLICIES, EXPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BRISBA00171
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750276-0418
From: BRISBANE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750862/aaaaccdx.tel
Line Count: 88
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: hartledg
Review Comment: n/a
Review Content Flags:
Review Date: 12 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 FEB 2003 by ReddocGW>; APPROVED <10 FEB 2004 by hartledg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BLACK OUTLOOK FOR STATE-FEDERAL RELATIONS OVER QUEENSLAND COAL EXPORTS
TAGS: EMIN, AS, US, JA, (CHALK, GORDON)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006